



Treasury & International Banking Department

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GST ON FOREIGN EXCHANGE TRANSACTIONS

Amount of Foreign Purchase or sale of foreign Currency in Rupees value	Value deemed for purchase or sale of transaction	GST to be recovered at proposed Rate of 18%.
(1)	(2)	(3)
Upto Rs1,00,000	One per cent of the gross amount of purchase or sale of foreign currency, subject to a minimum amount of two hundred and fifty rupees;	18 % of the value as per column 2, subject to a minimum of Rs 45/- For example , if value of gross amount of currency exchanged is Rs 50,000/-, then the deemed value is Rs 500/- and the GST to be recovered at proposed GST rate of 18% is Rs90/- It should be noted that the minimum GST recoverable is Rs 45/- i.e GST to be recovered at the proposed GST rate of 18% on minimum value of Rs 250/-
Rs1,00,001 to Rs10,00,000/-	Rs1,000 + half of a percent of the gross amount of currency exchanged in excess of Rs1 lakh rupees and up to Rs10 lakhs.	18% of the value as per column 2 Example : If value of currency exchanged is Rs 5 lakhs, deemed value for GST is to be computed as under : (1) For first Rs 1 lakh, value is Rs 1,000/- (2) For remaining amount of Rs 4 lakhs the deemed value will be 0.5% of Rs 4 lakh i.e. Rs 2,000/-. The total deemed value for GST will be Rs3,000/- and the GST to be recovered is Rs 540/- i.e. Rs 3000/- multiplied by the proposed GST rate of 18%
Above Rs10,00,000	Rs5,500 and one tenth of a per cent. of the gross amount of currency exchanged for an amount exceeding Rs10 lakhs, subject to maximum of Rs.60,000	18% of the value as per column 2 Example : If value of currency exchanged is Rs 20 lakhs Deemed value for GST is to be computed as under : 1) For first ten lakhs, value is Rs 5,500/- 2) For remaining amount of Rs 10

		<p>lakhs/-deemed value is Rs 1,000/- i.e. 1/10th of 1% of balance amount of Rs 10 lakhs.</p> <p>The total deemed value for GST will be Rs6,500/- GST to be recovered is Rs 1170/- i.e. Rs6,500/- multiplied by the proposed GST rate of 18%.</p> <p>However, if value of the currency exchanged is Rs 10 lakhs and above, the deemed value will be restricted to Rs 60,000/- and GST to be recovered is Rs10,800/-i.e.Rs60,000/- multiplied by proposed GST rate of 18%.</p> <p>The maximum GST recoverable at proposed GST rate of 18%, is Rs10,800/-.</p>
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Please note that GST recoverable computed as above is based on GST rate of 18%.

For FX Transactions involving outward remittances out of EEFC balances or crediting to EEFC account GST need not be collected.

Conversion from one foreign currency to another i.e. cross currency transactions - In cases where neither of the currencies exchanged is Indian Rupee, the value shall be equal to 1% of the lesser of the two amounts the person changing the money would have received by converting any of the two currencies into Indian Rupee on that day at the rate provided by the dealer.